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January 3, 2005

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 U.S. Department of the Interior
 4230 University Drive, Suite 300
 Anchorage, AK 99508

Re: M/V SELENDANG AYU
 Our File No.: 4404-56

Dear Counsel:

We are writing concerning the RP's continued interest in participating in a cooperative NRDA with the trustee agencies. As you know, we have previously expressed our interest in participating in a cooperative NRDA. We continue to believe that a cooperative NRDA is in the interests of both the RP and the federal and state trustees.

Our goal is to work with the trustees to ensure that the level of natural resource injury is determined in a prompt and appropriate manner, and to move as quickly as possible to restoration projects to compensate for the natural resource damages caused by the oil released from the SELENDANG AYU. We believe that working cooperatively is the best way for the trustees and the RP to achieve those goals.

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We would propose a cooperative approach based on the following principles:

1. Funding of the cooperative NRDA by the RP
2. Collaboration in designing and executing studies and means of assessing injury
3. Sharing a common database
4. Selecting mutual agreeable labs for any analytical work, the results of which will be available to all parties
5. Working together to assess the level of injury
6. Assessing restoration options together
7. Work together to implement restoration projects

These are goals that we believe have been achieved in NRDA from other spills. As you know, Polaris Applied Sciences are our NRDA consultants. Polaris has worked cooperatively with NRDA trustees across the country. We believe the trustees will find that Polaris staff are well-trained, professional, and will work with the trustees in a cooperative fashion.

I hope we can reach agreement on working cooperatively quickly. My sense is that the trustees are already starting to gather data in the field, but there is very little information being shared with Polaris by the trustees representatives in Dutch Harbor. Getting Polaris involved in discussions about studies or data sampling now will avoid possible disagreements down the road concerning the design or appropriateness of studies or data gathering techniques. I know the trustees are scrambling to try and gather data quickly, but feel it would be worth everyone's while to try and work cooperatively as soon as possible.

Alex Swiderski
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I look forward to discussing these issues with you in more detail on
Tuesday afternoon.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Herb Ray, Jr.', written over a horizontal line.

Herbert H. Ray, Jr.

HHR:kj (AA132023)